

**Agenda for the 67<sup>th</sup> meeting of the Board of Approval to be held on 9<sup>th</sup> October, 2015, in the Room No. 47, Udyog Bhawan, New Delhi**

**Item No. 67.1: Requests for extension of validity of formal approvals**

BoA in its meeting held on 14<sup>th</sup> September, 2012, examining similar cases observed as under: -

*“The Board advised the Development Commissioners to recommend the requests for extension of formal approval beyond 5<sup>th</sup> year and onwards only after satisfying that the developer has taken sufficient steps towards operationalisation of the project and further extension is based on justifiable reasons. Board also observed that extensions may not be granted as a matter of routine unless some progress has been made on ground by the developers. **The Board, therefore, after deliberations, extended the validity of the formal approval to the requests for extensions beyond fifth years for a period of one year and those beyond sixth year for a period of 6 months from the date of expiry of last extension**”.*

**(i) Request of Kerala State Information Technology Infrastructure Limited for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Eramam Village, Kannur District, Kerala, beyond 18<sup>th</sup> September 2015**

Formal approval to the developer was granted on 19<sup>th</sup> September, 2008. The SEZ stands notified as on date. The developer has been granted four extensions validity period of which has expired on 18<sup>th</sup> September, 2015.

The developer has requested for further extension so as to implement the project.

The developer has made following investments/plans.

- (i) Master plan proposal has been prepared by the architect
- (ii) Rs. 73 lakhs have been invested in KSEB for Electricity supply & 11 KV line has been installed upto the site
- (iii) The compound wall & gate as per the requirements for the SEZ norms has been completed.
- (iv) Consultant selected for the design of the 1<sup>st</sup> IT building of 50,000 sqft., for which design is finalized and contract is expected to be awarded soon.

Reason for delay:- The approach road to the site was not ready and the procedure for the acquisition for the land was time consuming and hence the construction activities in the SEZ land was delayed.

DC CSEZ has recommended the proposal for extension by one year.

The request of the developer is accordingly placed before BoA for its consideration.

**(ii) Request of M/s. Kerala State IT Infrastructure Ltd. (KSITIL) for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Cheemeni Village, Kasargod District, Kerala, beyond 18<sup>th</sup> September 2015**

Formal approval to the developer was granted on 19<sup>th</sup> September, 2008. The SEZ stands notified as on date. The developer has been granted four extensions validity period of which is upto 18<sup>th</sup> September, 2015.

The developer has requested for further extension so as to implement the project.

The developer has made following investments/plans.

- (i) Master Plan proposal has been prepared by the architect
- (ii) Compound wall & gate as per the requirements of the SEZ norms are completed.
- (iii) The design for the IT building for a total area of 50,000 sqft. has been completed and the process for selection of contractor is in progress.
- (iv) The work relating to water supply and distribution started in July, 2015 and is expected to be completed by March, 2016.
- (v) Construction of IT building to start in September, 2015 and is expected to be completed by September, 2016.

Reason for delay:- (i) Due to an error in the survey no. to the transferred land proposed for SEZ, the notification could be completed only on 28.02.2013. (ii) The proposed land is located in remote area and there were delay in getting the basic infrastructure such as water and electricity which has delayed construction activity.

DC CSEZ has recommended the proposal for extension by one year.

The request of the developer is accordingly placed before BoA for its consideration.

**(iii) Request of M/s. Kakinada SEZ Private Limited for further extension of the validity period of formal approval, granted for setting up of port based multi product SEZ at Kakinada, East Godavari District, Andhra Pradesh beyond 26<sup>th</sup> August, 2015**

Formal approval to the developer was granted on 27<sup>th</sup> June, 2006. The SEZ stands notified as on date. The developer has been granted six extensions, validity period of which is upto 26<sup>th</sup> August, 2015.

The developer has requested for further extension so as to implement the project.

The developer has stated that they have entered an MOU with one of the Chinese major which will be requiring 2000 acres which will spread across both Kakinada SEZ. I and Kakinada SEZ II. In the absence of valid formal approval in respect of M/s. Kakinada SEZ Private Limited I, the proposal for merger cannot be considered. As such the developer has requested for extension of the validity of the formal approval of KSEZ I to enable them to proceed further for merger of both the SEZs for overall development and implementation of the SEZs. Government of Andhra Pradesh has conveyed their recommendation for extension of the validity of the formal approval for a period of two years.

DC VSEZ has recommended the proposal for extension up to 26.02.2017.

The request of the developer is accordingly placed before BoA for its consideration.

**(iv) Request of M/s. Golden Tower Infratech Pvt. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Plot No. 8, Sector-144, Noida, Uttar Pradesh, beyond 2<sup>nd</sup> September 2015**

Formal approval to the developer was granted on 3<sup>rd</sup> September, 2008. The SEZ stands notified as on date. The developer has been granted four extensions, validity period of which was upto 2<sup>nd</sup> September, 2015.

The developer has requested for further extension so as to implement the project.

The developer has made following investments/plans.

- (i) The developer has invested Rs. 86.88 crores till July, 2015.
- (ii) Investment on land till date is Rs. 39.55 crores
- (iii) Investment of infrastructure is Rs. 47.33 crores.
- (iv) Investment since last extension is Rs. 1.78 crores

Physical progress till date in quantifiable terms: The developer has stated that they have completed 02 basement + GF + 6 floors which is approx. 5.54 lacs sq.ft. of first building and approx. 01 lacs sq.ft. excavation work completed for 2<sup>nd</sup> building.

**Physical progress since last extension:** The developer has stated that they were unable to do much progress since last extension as banks were reluctant to finance the project in view of fall in demand and increased risk perception. They have already approached various banks for funding and are in advance stage of discussions with Bank of Baroda and State Bank of Mysore. The developer has also stated that with IT/ITES sector picking up and demand/supply situation improving, they are confident that the loan will get sanctioned shortly and the work will then start in full swing.

DC NSEZ has recommended the proposal for extension.

The request of the developer is accordingly placed before BoA for its consideration.

**Item No. 67.2 : Requests for extension of LoP beyond 3<sup>rd</sup> Year onwards**

- As per Rule 18(1) of the SEZ Rules, the approval Committee may approve or reject a proposal for setting up of Unit in a Special Economic Zone.
- Cases for consideration of extension of Letter of Permission (LoP)s i.r.o units in SEZs are governed by Rule 19(4) of SEZ Rules.
- Rule 19(4) states that an LoP shall be valid for one year. First Proviso grants power to DCs for extending the LoP not exceeding 2 years. Second Proviso grants further power to DCs for extending the LoP for one more year but subject to the condition that two-thirds of activities including construction, relating to the setting up of the Unit is complete and a Chartered Engineer's certificate to this effect is submitted by the entrepreneur.

- Extensions beyond 3<sup>rd</sup> year (*in cases where two-third activities are not complete*) and 4<sup>th</sup> year are granted by BoA.
- BoA can extend the validity for a period of one year at a time.
- There is no time limit up to which the Board can extend the validity.

**(i) Request of M/s. JBF Petrochemicals Limited, a unit in Mangalore (Multi Product) SEZ at Mangalore, Bangalore for extension of LoP beyond 15<sup>th</sup> September, 2015**

M/s. JBF Petrochemicals Limited was granted LoP for setting up a unit in the above mentioned SEZ, vide LoP dated 16<sup>th</sup> September, 2011. The unit has been granted three extensions. The validity of last extension was upto 15<sup>th</sup> September, 2015.

The unit has requested for further extension so as to implement the project.

Investment details of the units is as under:-

- (i) The unit has completed 78% of the project with an investment of Rs. 3000 crore till July, 2015.

**Reason for delay:** The unit has stated that they have gone for a change in technology from Invista to British Petroleum (BP) and delay in getting the necessary approval for such a change from the State Environment Impact Assessment Authority (SEIA) and Karnataka State Pollution Control Board (KSPCB) respectively had a cascading effect on their project schedule and the dependent activities, comprising of basic and detailed engineering, placement of purchase orders, supply and receipt of equipment, erection, etc. coupled by severe jolt to the project due to delayed delivery of critical equipment and structural & piping bulk materials by 6-8 months by M/s. Technip who is their EPCM Contractor.

DC, CSEZ, has recommended the request of the unit for extension of validity of LoP for one year.

The request is placed before BoA for its consideration.

**(ii) Request of M/s. Benzo Chem Industries Pvt. Ltd. (Benzo), a unit in M/s. Dahej SEZ Limited, Gujarat for extension of LoP beyond 7<sup>th</sup> September, 2015**

The above mentioned unit was granted LoP on 8<sup>th</sup> September, 2011 **for manufacture and export of various organic chemicals**. Thereafter the unit has been granted three extensions, the validity of which was upto 7<sup>th</sup> September, 2015.

The unit has requested for further extension so as to implement the project.

The unit has made the following investment/plans:-

- (i) The unit has invested Rs. 6.24 crores as on 31.08.2015.
- (ii) **The incremental investment** made by them for the SEZ project is **NIL** from the last extension.
- (iii) **Details of physical progress till date in quantifiable terms:** The unit has got consent letter issued by Gujarat Pollution Control Board (GPCB), Gandhinagar on

30.06.2015 and Environment Clearance is awaited from M/o Environment, Forest and Climate Change.

- (iv) The unit has appointed consultant for civil construction.
- (v) **Physical progress since last extension:** Due to non receipt of consent to establish from (GPCB) & environment clearance from M/o Environment Forests and climate change, there is no physical progress since last extension.

DC Dahej SEZ has recommended the proposal for extension by one year.

The request is placed before BoA for its consideration.

**(iii) Request of M/s. ONS Interactive Solutions, a unit in NSEZ for extension of LoP beyond 19<sup>th</sup> July, 2015**

The above mentioned unit was granted LoP on 5<sup>th</sup> April, 2011 for IT/ITES. Thereafter the unit has been granted three extensions, the validity of which was upto 19<sup>th</sup> July, 2015.

The unit has requested for further extension so as to implement the project.

The unit has made the following investment/plans:-

- (i) The unit has invested Rs. 74,35,874/- in infrastructure.
- (ii) The unit has stated that they are ready to start activities as all the pre-requisites are taken care of and the delay in commencement was due to wait period in getting completion certificate from Noida Authority.
- (iii) The unit will start exporting software immediately after receiving the extension of LoA for one year.

DC NSEZ has recommended the proposal for extension by one year.

The request is placed before BoA for its consideration.

**(iv) Request of M/s. Tech Mahindra Ltd. (Unit-IV), a unit in NSEZ for extension of LoP beyond 22<sup>nd</sup> September 2015**

The above mentioned unit was granted LoP on 23<sup>rd</sup> September, 2011 for software development and ITES. Thereafter the unit has been granted three extensions, the validity of which is upto 22<sup>nd</sup> September, 2015.

The unit has requested for further extension so as to implement the project.

**Reason for delay:** Unit has mentioned that main reason for delay was permission from National Green Tribunal with reference to the Okhla Bird Sanctuary which was directly linked to the environment clearances and approval of building plan. Now the matter has been settled and building plans have been submitted for approval. The same has been forwarded to Noida Authority for examination/comments. The unit has intimated that they will set up a campus of 3000 seating capacity. Out of it 2000 seating spaces are expected to be ready in phase one in 12-18 months' time after receipt of necessary building plan approval.

DC NSEZ has recommended the proposal for extension by one year.

The request is placed before BoA for its consideration.

**(v) Request of M/s. Mylan Laboratories Ltd., a unit in Indore SEZ for extension of LoP beyond 27<sup>th</sup> May 2015**

M/s. Mylan Laboratories Ltd. was granted LoP for setting up a unit in the above mentioned SEZ, vide LoP dated 28<sup>th</sup> May, 2012 for manufacturing of pharmaceutical formulations i.e. tablets and capsules. The unit has been granted two extensions. The validity of last extension was upto 27<sup>th</sup> May, 2015.

The unit requires third extension in validity of LoP for the fourth year and beyond in the absence of completion of two-third of activities including construction in terms of second proviso of Rule 19 (4) of SEZ Rules, 2006.

The unit could not implement the project within the extended validity period due to following reasons:-

- (i) After obtaining LoA, due to some technical reasons regarding TDS on payment of land fee, there was delay in execution of lease deed with the developer, leading to non-implementation of the project in the first year.
- (ii) The leased was executed with the developer only on 26.02.2014.
- (iii) Subsequently, developer revised the map and plot numbers allotted to the unit on 26.05.2014 by this time extension of the lease was expired.
- (iv) The developer handed over the possession on 28.08.2014 without amending the lease deed. Subsequently, the lay out map was again revised by the developer on 27.07.2015 and thus the second extension was also expired.
- (v) **The unit has taken following action:** (a) Contractor finalized for boundary wall (b) Got approval from various sources to invest the fund for the project (c) paid more than Rs. 2 crores as lease rent and other maintenance charges to the developer for the last three years (d) Obtained water and HT power connection.
- (vi) The Unit intends to start pilot operations with a capacity of 1 billion tablets/capsules per year by 2017-18.

DC ISEZ has stated that since delay has been caused because of land issue with the developers and the unit which is globally renowned intends to implement the project, it is recommended that the LoA may be extended for one year up to 27.05.2016

The unit has requested for further extension so as to implement the project.

### Item No. 67.3 : Requests for co-developer

**(i) Request of M/s. Virtus IT Services Private Limited for co-developer in the sector specific SEZ for IT/ITES at Attipra, Taluk and District Thiruvananthapuram, Kerala, being developed by M/s. Electronics Technology Parks – Kerala for increase in area.**

The above mentioned SEZ stands notified over an area of 22.73.88 Hectares.

M/s. Virtus IT Services Private Limited had been conferred the co-developer status in the aforesaid SEZ on 27<sup>th</sup> March, 2012 for providing infrastructure facilities and development of IT sector industry, over an area of 50.2 cents in Survey no. 292 part. However, due to change in master plan and as per co-developer's request the BoA in its meeting held on 27<sup>th</sup> August, 2015 has given fresh approval for co-developer status for providing infrastructure facilities and development of IT sector industry, over an area of one acre

Now the co-developer has requested for increase in area of co-developer for providing infrastructure facilities and development of IT sector industry, over an area of two acres in accordance with co-developer agreement dated 18.09.2015.

Co-developer agreement dated 18<sup>th</sup> September, 2015 entered into with the developer has been provided. Lease Deed dated 19<sup>th</sup> May, 2015 has also been provided. Lease period is 90 years. Initial down payment of Rs. 2,71,79,460/- for one acre of land has been paid. Annual lease rent is Rs. 10000 per acre.

DC, CSEZ has recommended the proposal.

The request of the co-developer is submitted for consideration of BoA.

### Item No. 67.4 : Proposals for setting up of SEZs

**(i) Request of M/s. Cheyyar SEZ Developers Pvt. Ltd. for setting up of a sector specific SEZ for Footwear at SIPCOT Industrial Growth Centre, Bargur, Uthangarai and Pochampalli Taluk, Krishnagiri District, Tamil Nadu, over an area of 58.21 hectares.**

S. No	Name of the Developer	Location	Sector	Area (in ha)	Land Possession	State Govt. Recommendation	Status of application
(i)	M/s Cheyyar SEZ Developers Pvt. Ltd.	SIPCOT Industrial Growth Centre, Bargur, Uthangarai and Pochampalli Taluk, Krishnagiri District, Tamil Nadu	Footwear	58.21	Yes	Yes (15.07.2015)	New

- As on date there is a sector specific SEZ for Granite processing sector notified in the name of SIPCOT which is spread over 153.83 hectares.
- M/s. Cheyyar SEZ Developers Pvt. Ltd. intends to set up sector specific Footwear SEZ in the 58.21 hectares land which is part of 153.83 hectares of land in the above mentioned SIPCOT SEZ.

- SIPCOT has conveyed its in-principle approval for allotment of 143.83 acres (58.21 hectares) of land for setting up a footwear SEZ vide letter dated 07.07.2015 addressed to M/s. Cheyyar SEZ Developers Pvt. Ltd.
- Industries Department Secretariat, Chennai vide letter dated 15.07.2015 addressed to MD, SIPCOT has stated that the State Government has already agreed for the de-notification of the said land in Granite sector specific SEZ to Footwear sector specific SEZ.
- The de-notification request has been made by M/s. SIPCOT dated 16<sup>th</sup> July, 2015 in form C-5. DC MEPZ vide recommendation dated 21.08.2015 has certified that (a) there is no unit in zone/units in the zone have been debonded and (b) no duty exemption has availed by the developer.
- The denotification proposal of M/s. SIPCO in respect of above mentioned 58.21 hectares is being processed on file in the DoC.

The proposal of the developer is submitted for consideration of BoA.

### Item No. 67.5 : Miscellaneous Cases

**(i) Request of M/s. Syngene International Limited, a co-developer of M/s. Mangalore SEZ a multi product SEZ at Mangalore, Karnataka for authorized operations.**

The above mentioned SEZ stands notified over an area of 655.5043 hectares. The co-developer status to M/s.Syngene International Limited has been given for setting up of “Green Field Campus” consisting of common infrastructure catering to combination of SEZ units viz: (i) active pharmaceutical ingredients (API) (ii) Advance Intermediates (AI) and (iii) Agro Chemicals (AC); and, the development of common infrastructure for their campus over an area of 16.2 hectares.

The co-developer has requested for setting up of a R&D lab facility (Model Lab) temporarily in the processing area of 16.2 hectares, being co-developed by them. They stated in their application/request letter that they require this small R&D lab facility (Model Lab) for doing the initial R&D activities, testing and registration with the clients abroad to attract them, which will help the co-developer to set up world class SEZ units in future in the said SEZ area.

Details of the activities in the processing area for which approval has been sought:-

S. No.	Name of the authorized activity	No. of units	Area per unit (in sqm.) as per FSI/FAR norms applicable	Total area (in sqm.) capacity (in MW)
1.	Setup the lab facility for Research & development	NA	NA	NA
2.	Research & Development in active pharmaceutical ingredients, advanced intermediates & Agro chemicals	NA	NA	NA

DC CSEZ has recommended the proposal.

The proposal is placed before BoA for its consideration.



**(ii) Request of M/s. SciGenom Labs Pvt. Ltd., a unit in CSEZ for permission for import of samples for testing purpose under contract R&D.**

The above unit was granted LoP on 14.07.2009 and commenced commercial production w.e.f. 28.01.2010. At present the validity of LoP has been extended upto 27.01.2020. The unit has requested for import of the following items:-

- (i) Food & waste samples including pet food or materials for testing purpose
- (ii) Plant Genomic DNA for testing purpose.

DC CSEZ has stated that from a copy of approval from DSIR, it is seen that they are approved for contract R&D. However, permission for import of samples for R&D seems not to have been clearly mentioned anywhere in the approval.

As per Rule 26 of the SEZ Rules 2006 “any permission required under any other law shall be allowed with the approval of the BoA”. It appears that the genetically modified food, feed organism (GMCs) and Living Modified organisms (LMOs) will be governed by the provisions of the Environmental Protection Act, 1986 and Rules framed thereunder. It also appears that import of any food, feed etc. that contains GM material will be allowed only with the approval of the Genetic “Engineering Approval Committee (GEAC) under the Ministry of Environment and Forest.

DC CSEZ has forwarded the proposal.

The proposal is placed before BoA for its consideration.

**(iii) Proposal for setting up of a 66 KV sub-station by KSEB within the notified area of the KSITIL SEZ, Kozhikode**

M/s. Kerala State IT Infrastructure Ltd. (KSITIL), Technopark was given formal approval on 16.08.2010 and stands notified over an area of 12.099 hectares.

M/s. KSITIL has submitted an application to DC, CSEZ in the prescribed format on 21.09.2015 for allotment of 95.776 cents of land in the non-processing area on lease for 99 years to M/s. Kerala State Electricity Board for setting up of a 66 KV Substation without availing any duty of tax exemption subject to the condition that the substation shall supply power to the whole SEZ area and also some consumers outside the zones.

DC CSEZ has recommended the proposal (**Annexure-1**)

The proposal is placed before BoA for its consideration.

**(iv) Request of M/s Torrent Energy Ltd. (co-developer in Dahej SEZ), for amalgamation/merger with M/s. Torrent Power Ltd.**

M/s. Torrent Energy Ltd. was granted co-developer status on 10<sup>th</sup> October, 2008 in Dahej SEZ Ltd. at Bharuch, Gujarat for power generation upto 1500 MW and necessary transmission and distribution network in the said SEZ. In terms of the approval the co-developer is setting up a power generation plant with an installed capacity of 1200 MW. Commercial generation of power is yet to start. M/s Torrent Energy Ltd. was also issued LoP as a unit on 22.05.2009 for

electricity generation and distribution with capacity of 380 MW, within Dahej SEZ processing area. Both the co-developer & unit are in the processing area of Dahej SEZ.

M/s. Torrent Energy Ltd. is a wholly owned subsidiary of M/s. Torrent Power Ltd. M/s. Torrent Energy Ltd. has submitted the proposal for amalgamation/merger with M/s. Torrent Power Ltd., with an intention of alignment of various aspects of the power business of subsidiary of M/s. Torrent Power Ltd.

The proposal was deferred in 64<sup>th</sup> BoA meeting held on 20<sup>th</sup> February, 2015. The minutes are reproduced as under:-

*The Board after deliberations decided to defer the proposal and directed DC, Dahej SEZ to re-examine the proposal afresh and re-submit the same after bringing out the implications of the amalgamation on the obligations of the two entities as per the SEZ Act & Rules.*

Both the Co-developer and unit of M/s.TEL are in the processing area of Dahej SEZ. M/s. Torrent Energy Ltd has 1196.85 MW (3 x 398.95 MW) Power Plant installed for Power generation in the processing area of Dahej SEZ which is technically commissioned. M/s. TEL are distribution licensee for Dahej SEZ area and has been distributing Power in Dahej SEZ area since 04.04.2010.

M/s.TEL (Co-Developer) has requested for amalgamation with M/s. Torrent Power Limited for alignment of various aspects of the Power business of Torrent group. The TEL is a public unlisted company incorporated under the provisions of the Companies Act, 1956 and is a wholly owned subsidiary of Torrent Power Limited. Along with the Torrent Energy limited (Co-Developer), M/s. Torrent Cable Limited (DTA Unit) is also proposed to be amalgamated with M/s. Torrent Power Limited.

The proposal was deferred in 65<sup>th</sup> BoA meeting held on 19<sup>th</sup> May, 2015. The minutes are reproduced as under:-

*“The BOA, after deliberations, decided to defer the request of the Co-developer till the new power guidelines are finalized.”*

Now M/s. TEL has forwarded order of amalgamation received from the High Court of Gujarat and has requested to place the matter before the BoA. The request of the said M/s. TEL has been forwarded to the DC KASEZ with a copy thereof to DGEP for eliciting their comments. The comments of DGEP are awaited.

DC KASEZ and DC, Dahej have recommended the proposal subject to fulfillment of all mandatory/statutory approvals & permissions from all the concerned authorities.

The proposal is placed before BoA for its consideration.

**(v) Request of M/s. Wipro SEZ, for relaxation of the contiguity of the sector specific SEZ for IT/ITES at Sector –V, Salt Lake City, Kolkata**

M/s. Wipro SEZ given formal approval on 23<sup>rd</sup> December, 2004. The SEZ was notified on 18<sup>th</sup> March, 2005, over an area of 16.15 acres (13.5 acres at site 1 and 2.5 acres at

site 2). Since the capacity at site 1 has reached the optimum level the developer intends to include 2.65 acres of land with the existing structure of 11 floors measuring an area of 183546 sq. ft. and which is operational.

Since the land is not contiguous the developer has proposed 24x7 digital surveillance system in addition to the presence of physical security at the site which will be tamper proof solution and provide round the clock monitoring by authorized officer/specified officer with date wise retrievability of recordings. Further the developer has also assured that both the parcel of land have been adequately fenced with concrete wall.

There is no provision of establishing contiguity by installing 24x7 digital surveillance system in the instruction no. 27 issued by DoC in terms of the proviso to sub-rule (2) of Rule 7 of the SEZ Rules, 2006 read with SEZ (Second Amendment) Rules, 2007 dated 16th March 2007. It has been decided to place the matter before the BoA.

The proposal is placed before BoA for its consideration.

**(vi) Request of M/s. India Land KGISL Tech Park Pvt. Ltd. a co-developer in M/s. Coimbatore Hitech Infrastructure Private Ltd. (CHIL) a sector specific IT/ITES SEZ at Keeranatham village, Coimbatore Taluk & District for change of shareholding pattern**

M/s. India Land KGISL Tech Park Pvt. Ltd. was given co-developer status on 19.06.2007 in the above mentioned SEZ.

There is a request from the co-developer is for change of shareholding pattern. The present shareholding pattern and the proposed shareholding pattern are given below:-

The present shareholding pattern of the co-developer

S. No.	Name of Shareholder	No. of equity shares held	% of shareholding
1.	Mr. B. Ashok	3,991	0.23
3.	Mrs A. Divyalakshmi	9	0.00
2.	CHIL	4,58,034	25.86
4.	ILVL	13,08,286	73.90
	Total	17,70,320	100

The proposed shareholding of the co-developer

S. No.	Name of Shareholder	No. of equity shares held	% of shareholding
1.	ILVL	17,70,320	100

DC MEPZ has forwarded the proposal.

The proposal is placed before BoA for its consideration.

**(vii) Request of M/s. Aachvis Softech Pvt. Ltd. for setting up of sector specific SEZ for IT/ITES at Plot No. 7, Sector 144, Noida for change of name of the company to M/s. Oxygen Business Park Private Limited and shareholding pattern**

The above mentioned SEZ stands notified over an area of 10.0498 hectares.

There is a request from the developer for change of name from M/s. Aachvis Softech Pvt. Ltd. to M/s. Oxygen Business Park Private Limited.

Shareholding pattern approved by BoA on 18.09.2014

S. No.	Name of Shareholder	Number of shares	% of shareholding
1.	BREP Asia SBS Oxygen Holding (NQ) Ltd.	38	0.38
3.	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.	7962	79.62
2.	BREP VII SBS Oxygen Holding (NQ) Ltd.	11	0.11
4.	BREP VII SG Oxygen Holding (NQ) Pte. Ltd.	1989	19.89
	Total :	10000	100

The present shareholding pattern effective from 16.05.2015 is as under:-

S. No.	Name of shareholder	Number of shares	% of Shareholding
1.	BREP Asia SBS Oxygen Holding (NQ) Ltd.	52	0.39
2.	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.	10498	79.61
3.	BREP VII SBS Oxygen Holding (NQ) Ltd.	14	0.11
4.	BREP VII SG Oxygen Holding (NQ) Pte. Ltd.	2623	19.89
	Total	13187	100

DC NSEZ has recommended the proposal.

The proposal is placed before BoA for its consideration.

**(viii) Request of M/s. Mikado Realtors Pvt. Ltd. a sector specific SEZ for Electronic Hardware, IT/ITES SEZ at Village Behrampur & Balola, Distt. Gurgaon, Haryana for re-consideration of the decision of the BoA for de-notification/cancellation of formal approval**

The matter of cancellation of formal approval/de-notification was placed before the 65<sup>th</sup> BoA meeting which was held on 19.05.2015. The brief background of the case is as under:-

The SEZ was given formal approval on 30.08.2008 and was notified on 29.10.2009. The formal approval granted to the developer had expired on 29.10.2011 and the developer had not applied for extension of the same. Further the developer had failed to comply with the conditions of the LoA. Accordingly, Approval Committee decided to forward the case to DoC with the request to take necessary action for cancellation of formal approval/de-notification of SEZ.

After deliberations the BoA cancelled the formal approval/de-notification. The requisite DC Certificate has not been forwarded by the NSEZ, therefore, formal order for de-notification has not yet been issued. Meanwhile, promoters of the above SEZ have made representation to the NSEZ and have shown interest for revival of SEZ.

DC has forwarded the proposal for necessary action for cancellation of formal approval/de-notification.

The developer has stated that due to adverse market conditions, subdued demand from multi-national corporations and domestic export units in IT/ITES and a decreased interest of foreign investors, they could not make the expected progress in the implementation of the said project.

It has been further stated by them that now, the economy has started showing signs of economic growth. The policy initiative such as relaxation of FDI norms, commitment towards Ease of Doing Business in India, improvement in ties with various developed and developing economies have led to an increased confidence amongst both domestic and international business community. The company has further stated that SCM Real Estate Singapore Pvt. Limited through its Indian company has shown keen interest to participate in the SEZ project both in FDI Financing, Development and Marketing. The company has given following time frame for completion of the project:-

- Phase 1: to be completed within 3 years.
- Phase 2: to be completed within 5 years.
- Phase 3: to be completed within 6 years.

DC NSEZ has forwarded the proposal for consideration of BoA.

The proposal is placed before BoA for its consideration.

**(ix) Ratification of the decision taken by BoA in respect of M/s. Rajiv Gandhi Infotech Park, Chandigarh (RGTPC) a sector specific SEZ for IT in its meeting held on 08.08.2007.**

Formal Approval was granted on 06.06.2005 by DoC to M/ss Rajiv Gandhi Technology Park, Chandigarh a sector specific SEZ for IT over an area of 111 acres. Subsequently, SEZ Act 2005 and SEZ Rules, 2006 came into force on 10.02.2006, formal approval was given by BOA on 17.03.2006. The SEZ was notified on 19.05.2006 over an area of 77.82 acres. Subsequently, the developer requested for de-notification of certain area leaving in it an area of 12.22 hectares with the Infosys Technologies Ltd. as a unit. This was approved by the BoA in its meeting held on 08.08.2007. There was certain violation/irregularities noticed by DoR. Comments in this regard have been sought from NSEZ and the same are at **Annexure-2**.

The proposal is placed before BoA for its consideration.

**(x) Request of M/s. PI Industries Ltd., a unit in Sterling SEZ for granting permission to procure restricted raw material “Chlorodifluoromethane” (Mefron 22 & Freon 22) falling under ITC Chapter Heading 29037100 from DTA Unit.**

M/s. PI Industries Ltd. was issued LoP on 02.03.2010 for manufacture of various organic chemicals and misc. chemical products (Chapter Heading 29 & 38).

The unit has requested permission to procure restricted raw material “Chlorodifluoromethane” (Mefron 22 & Freon 22) falling under ITC Chapter Heading 29037100 from DTA Unit in respect of supply of items to a SEZ developer or unit for setting up infrastructure facility or for setting up of a unit. It can also supply raw material to SEZ unit for undertaking a manufacturing operation except refrigeration, cutting, polishing and blending. However, it will require prior approval of BoA.

UAC in its meeting dated 31.08.2015 after deliberations decided to recommend the case for consideration of BoA in view of instruction no. 47.

DC Sterling SEZ has recommended the proposal.

The proposal is placed before BoA for its consideration.

**(xi) Request of M/s Pooja Scrap Industries (Partnership), a unit in VSEZ for extension of validity of LoP for the next block of five years from 31.08.2014**

M/s. Pooja Scrap Industries (Partnership), a unit in VSEZ was granted LoP on 15.12.1997 for recycling of imported scrap (ferrous and non ferrous). The unit commenced production on 31.08.1999. LoP was extended from time to time in terms of the provisions of the SEZ Rules, 2006. During the block period 31.08.2009 to 31.07.2014 the unit has failed to achieve positive NFE. After adjudicating the case a penalty of Rs. 35 lakhs has been imposed on the unit for non-achievement of positive NFE of Rs. 668.33 lakhs. The unit has preferred an appeal to the Ministry (Appellate Authority) and the same is pending.

In terms of Rule 18 (4)(d) of SEZ Rules, 2006, no proposal shall be considered for import of other used goods for recycling provided that extension of letter of approval for an existing unit shall be decided by the Board.

At the time of extension of LoP for block of five years from 31.08.2009 to 30.08.2014 by the BoA in its 37<sup>th</sup> meeting held on 15.12.2009, the Board also recommended that the unit must commence physical exports in a phased manner. Accordingly, LoP was extended by the DC prescribing the condition that the unless the unit achieves annual physical export of at least 50% of total annual production value by 2013-2014, further renewal of the LoA may not be considered.

The unit was NFE negative of Rs. 668.33 lakhs during the period for which Show Cause Notice was issued to the unit on 14.08.2014.

Accordingly, the proposal for extension of the unit w.e.f. 31.08.2014 was considered in the BOA in its meeting held on 18.09.2014. The Board decided as under:-

*The Board, after deliberations, approved the proposal for extension of validity of LoP for a period of **one year** with the condition that the unit shall fulfill all the pending export obligations during the extended period. The further extension would be considered only after satisfactory performance of the unit during the extended period, which will be monitored by DC VSEZ.*

The extension of LoP has thus expired on 31.08.2015.

Now DC VSEZ has forwarded the proposal of further extension of the unit. The DC has stated that after extension of validity of LoP by the Board the unit has effected exports for an FOB value of Rs. 7.30 crores in addition to which they have made sales against free foreign currency in DTA for a value of Rs. 4.46 crores which are counted towards NFE. As such the unit has complied with the condition of meeting the export obligation stipulated by the Board. The unit has invested Rs. 22 lakhs so far and provided direct employment to 19 people. The unit has obtained all the statutory clearances for undertaking the above said operations.

The unit has informed that they also intend to establish ingot manufacturing facilities for aluminium scrap and assured to achieve positive NFE in the balance period of the block 31.08.2014 to 31.08.2019.

DC VSEZ has recommended the extension of validity of LoP for the period 31.08.2014 to 30.08.2019.

The proposal is placed before BoA for its consideration.

#### **Item No. 67.6 : Appeals before BoA**

**(i) Appeal of M/s. Shahtootwale Industries Ltd., a unit in Noida SEZ against order of the UAC dated 18<sup>th</sup> August, 2015.**

The Unit was issued LOA on 07.05.1987 for manufacturing of readymade garments.

The unit started its activities on 2<sup>nd</sup> July, 1990. The unit had valid LoA up to 31.03.2015. The unit has been non-functional since 2009-10 and plot is lying unutilized since then. Besides unit has failed to pay the applicable lease rent timely and lease rent amounting to Rs. 6,19,88/- (up to 30.06.2015 including interest) is currently outstanding against the unit. An SCN was issued to the unit on 26.06.2013 for non-submission of APRs, non-execution of Bond-cum-LUT and non-payment of lease rent in respect of plot no. 53. The matter was placed in UAC in its meeting held on 17.10.2014. As per the directions of UAC a fresh SCN was issued on 19.12.2014. The case was again placed before UAC on 12.03.2015 on personal hearing to the promoters of the company was given. The UAC directed the unit to commenced commercial activities and make export within the validity period of LoA i.e. 31.03.2015, failing which LoA shall not be renewed. The matter was again placed before UAC on 07.05.2015 and 22.06.2015. The Committee after deliberations observed that the unit was functional up to the year 2008-09 and thereafter no business has been carried out. The Committee, therefore, cancelled the LoA w.e.f. 01.04.2015. UAC also cancelled the allotment of plot no. 53 to the said unit.

The appellant has given following reasons for appeal:-

- (i) The negative NFE shown in DDC's letter is incorrect and the NFE for the block period 2005-10 and 2010-15 was positive.
- (ii) The conditions under which a unit remained non-functional was due to delays on part of NSEZ as they took more than 3 ½ years to ratify the decision on change of name, change of lease deed and LUT acceptance.
- (iii) SCN dated 26.06.2013 and 19.12.2014 were properly reply.
- (iv) LoA renewal request w.e.f. 01.04.2015 was considered by UAC on 12.03.2015 and was approved subject to compliance of payment of lease rent and start of activity. This was complied with and zone was informed of the commencement of export and substantial of orders in hand. However, inspite of this zone stopped custom activities from 01.04.2015 and cancelled LoA.
- (v) There were export orders which were to be executed by May/June, 2015 but since LoA was cancelled from 01.04.2015 exports were made from DTA unit. This delayed the shipment which had to be sent by Air leading to avoidable lose.

The appellant has filed the instant appeal (**Annexure-3**) against the above rejection.

The appeal is placed before the BoA for consideration.

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